

SERFF Tracking Number:	FEMC-125863884	State:	Arkansas
First Filing Company:	Federated Mutual Insurance Company, ...	State Tracking Number:	EFT \$100
Company Tracking Number:	WC-AR-09-1		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	Workers Compensation		
Project Name/Number:	Rate Filing/WC-AR-09-1		

Filing at a Glance

Companies: Federated Mutual Insurance Company, Federated Service Insurance Company

Product Name: Workers Compensation

SERFF Tr Num: FEMC-125863884 State: Arkansas

TOI: 16.0 Workers Compensation

SERFF Status: Closed

State Tr Num: EFT \$100

Sub-TOI: 16.0004 Standard WC

Co Tr Num: WC-AR-09-1

State Status: Fees verified and received

Filing Type: Rate

Co Status:

Reviewer(s): Betty Montesi, Carol Stiffler

Author: Carolyn Stursa

Disposition Date: 10/22/2008

Date Submitted: 10/17/2008

Disposition Status: Approved

Effective Date Requested (New): 01/01/2009

Effective Date (New): 01/01/2009

Effective Date Requested (Renewal): 01/01/2009

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Rate Filing

Status of Filing in Domicile:

Project Number: WC-AR-09-1

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 10/22/2008

State Status Changed: 10/21/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

The revised rates and rating values are based upon the NCCI July 1, 2008 advisory pure premiums.

We wish to implement this filing for all new business and renewals effective on and after January 1, 2009.

Company and Contact

SERFF Tracking Number:	FEMC-125863884	State:	Arkansas
First Filing Company:	Federated Mutual Insurance Company, ...	State Tracking Number:	EFT \$100
Company Tracking Number:	WC-AR-09-1		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	Workers Compensation		
Project Name/Number:	Rate Filing/WC-AR-09-1		

Filing Contact Information

Carolyn Stursa, Property & Casualty Product Specialist
 cmstursa@fedins.com
 121 E Park Square
 Owatonna, MN 55060
 (800) 533-0472 [Phone]
 (507) 444-6691[FAX]

Filing Company Information

Federated Mutual Insurance Company	CoCode: 13935	State of Domicile: Minnesota
121 East Park Square	Group Code: 7	Company Type:
PO Box 328		
Owatonna, MN 55060	Group Name:	State ID Number:
(800) 533-0472 ext. [Phone]	FEIN Number: 41-0417460	

Federated Service Insurance Company	CoCode: 28304	State of Domicile: Minnesota
121 East Park Square	Group Code: 7	Company Type:
PO Box 328		
Owatonna, MN 55060	Group Name:	State ID Number:
(800) 533-0472 ext. [Phone]	FEIN Number: 41-0984698	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Federated Mutual Insurance Company	\$100.00	10/17/2008	23270851
Federated Service Insurance Company	\$0.00	10/17/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	10/22/2008	10/22/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Carol Stiffler	10/21/2008	10/21/2008	Carolyn Stursa	10/21/2008	10/21/2008
Industry						
Response						

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Disposition

Disposition Date: 10/22/2008

Effective Date (New): 01/01/2009

Effective Date (Renewal):

Status: Approved

Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Federated Mutual Insurance Company	-5.200%	\$-179,476	432	\$3,451,456	%	%	0.000%
Federated Service Insurance Company	-5.400%	\$-7,102	9	\$131,511	%	%	0.000%

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing

0.000%

Overall Percentage Rate Impact For This Filing

-5.200%

Effect of Rate Filing-Written Premium Change For This Program

\$-186,578

Effect of Rate Filing - Number of Policyholders Affected

441

SERFF Tracking Number: FEMC-125863884 State: Arkansas
 First Filing Company: Federated Mutual Insurance Company, ... State Tracking Number: EFT \$100
 Company Tracking Number: WC-AR-09-1
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
 Product Name: Workers Compensation
 Project Name/Number: Rate Filing/WC-AR-09-1

Item Type	Item Name	Item Status	Public Access
Supporting Document (revised)	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Withdrawn	No
Supporting Document (revised)	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Withdrawn	No
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	EXhibit A-Target Loss Ratio, Und Expenses	Approved	Yes
Supporting Document	Expense Constant Filing Worksheet	Approved	Yes
Supporting Document	Rate Indication Exhibit	Approved	Yes
Supporting Document	Cover Letter and Actuary Explanatory Memorandum	Approved	Yes
Rate	Mutual Workers Compensation & Employers Liability Manual Rates, Misc Values & Retro Rating Plan, State Special Rating Values Pages	Approved	Yes
Rate	Service Workers Compensation & Employers Liability Manual Rates, Misc Values & Retro Rating Plan, State Special Rating Values Pages	Approved	Yes

SERFF Tracking Number: FEMC-125863884 State: Arkansas
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Product Name: Workers Compensation
Project Name/Number: Rate Filing/WC-AR-09-1

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 10/21/2008
Submitted Date 10/21/2008
Respond By Date
Dear Carolyn Stursa,

Objection 1

- NAIC Loss Cost Filing Document for Workers' Compensation (Supporting Document)

Comment: I cannot determine which NCCI Item Filing you are trying to adopt. The Item Filing Number on Line 17 on the Uniform Transmittal Document states it is Item R-1398. The AR cover letter also adopts R-1398. This is not a loss cost filing. On several other documents (NAIC Rate-Rule Filing Schedule PC RRFS-1 and NAIC Adoption of Advisory Organization Prospective Loss Costs Reference Filing Adoption Form, etc.) it shows AR-2008-06.

At this point in time, we have not approved any NCCI Item Filing with the Item #AR-2008-06. I believe that this may be the circular number. The Item Filing # is the unique number assigned by NCCI to an item filing. We do not receive circulars which are issued after the Item Filing is approved. Often Circulars and Item Filings have the same numbers but are not related to each other. We CANNOT accept the Circular number in lieu of the Item Filing Number.

If you are trying to adopt the 7-01-08 loss cost filing made by NCCI, that Item number is AR-2008-02.

Please state the Item Filing numbers you are adopting.

Please feel free to contact me if you have questions.

Sincerely,
Carol Stiffler

Response Letter

Response Letter Status Submitted to State
Response Letter Date 10/21/2008
Submitted Date 10/21/2008

Dear Carol Stiffler,

<i>SERFF Tracking Number:</i>	<i>FEMC-125863884</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Federated Mutual Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>WC-AR-09-1</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation</i>		
<i>Project Name/Number:</i>	<i>Rate Filing/WC-AR-09-1</i>		

Comments:

See below.

Response 1

Comments: Carol Stiffler,

I am sorry I did get confused with the numbers. This is an independent rate filing(changing our multipliers) and we are referencing AR-2008-02. We have already filed the adoption of Item AR-2008-02 for 7-1-2008 so I don't know if I should be using the adoption form in this case to reference #AR-2008-02. Should I list #AR-2008-02 on the RF WC Adoption forms?

Included in this filing is Item # R-1398. Do I need to list that Item number on the RF WC Adoption forms?

I have listed both Item #'s on the Uniform Transmittal Document too.

Thank you,
Carolyn Stursa

Sincerely,
Carolyn Stursa

Related Objection 1

Applies To:

- NAIC Loss Cost Filing Document for Workers' Compensation (Supporting Document)

Comment:

I cannot determine which NCCI Item Filing you are trying to adopt. The Item Filing Number on Line 17 on the Uniform Transmittal Document states it is Item R-1398. The AR cover letter also adopts R-1398. This is not a loss cost filing. On several other documents (NAIC Rate-Rule Filing Schedule PC RRFS-1 and NAIC Adoption of Advisory Organization Prospective Loss Costs Reference Filing Adoption Form, etc.) it shows AR-2008-06.

At this point in time, we have not approved any NCCI Item Filing with the Item #AR-2008-06. I believe that this may be the circular number. The Item Filing # is the unique number assigned by NCCI to an item filing. We do not receive circulars which are issued after the Item Filing is approved. Often Circulars and Item Filings have the same numbers but are not related to each other. We CANNOT accept the Circular number in lieu of the Item Filing Number.

If you are trying to adopt the 7-01-08 loss cost filing made by NCCI, that Item number is AR-2008-02.

Please state the Item Filing numbers you are adopting.

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<i>Company Tracking Number:</i>	<i>WC-AR-09-1</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation</i>		
<i>Project Name/Number:</i>	<i>Rate Filing/WC-AR-09-1</i>		

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Uniform Transmittal Document-Property & Casualty

Comment: I have attached corrected PC TD-1 to show reference to AR-2008-02.

Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation

Comment: I have attached corrected RF WC forms showing the correct Item number AR-2008-02.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,
Carolyn Stursa

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Rate Information

Rate data applies to filing.

Filing Method:	Prior Approval
Rate Change Type:	Decrease
Overall Percentage of Last Rate Revision:	-6.900%
Effective Date of Last Rate Revision:	07/01/2008
Filing Method of Last Filing:	Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Federated Mutual Insurance Company	0.000%	-5.200%	\$-179,476	432	\$3,451,456	%	%
Federated Service Insurance Company	0.000%	-5.400%	\$-7,102	9	\$131,511	%	%

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated:	0.000%
Overall Percentage Rate Impact For This Filing:	-5.200%
Effect of Rate Filing - Written Premium Change For This Program:	\$-186,578

<i>SERFF Tracking Number:</i>	<i>FEMC-125863884</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Project Name/Number:</i>	<i>Rate Filing/WC-AR-09-1</i>		

Effect of Rate Filing - Number of Policyholders Affected:	441
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Company Tracking Number:	WC-AR-09-1		
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Product Name:	Workers Compensation		
Project Name/Number:	Rate Filing/WC-AR-09-1		

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	Mutual Workers Compensation & Employers Liability Manual Rates, Misc Values & Retro Rating Plan, State Special Rating Values Pages	F1-F8 (1-1-09) & Replacement RR1-RR2 (1-1-09)		Mutual Rates, Misc Values, Retro.pdf
Approved	Service Workers Compensation & Employers Liability Manual Rates, Misc Values & Retro Rating Plan, State Special Rating Values Pages		Replacement	Service Rates, Misc Values, Retro.pdf

LEGEND

C Classification is a chemical code.

E Classification involving specific disease loading. Refer to Home Office for amount.

D Special Disease Rule for this classification - see Rule IV of Manual Supplement - Treatment of Disease Coverage.

P Per Capita

X Refer to special classification phraseology in these pages which is applicable in this state.

Class Code	Manual Rate	Min. Prem.	Class Code	Manual Rate	Min. Prem.	Class Code	Manual Rate	Min. Prem.
0005	5.78	750	1322	14.16	750	2041	3.84	718
0008	2.35	517	1430	3.90	727	2065	1.45	396
0016	5.07	750	1438	2.19	496	2070	4.92	750
0034	3.89	725	1452	1.52	405	2081	3.47	668
0035	2.32	513	1463	10.49	750	2089	2.28	508
0036	3.70	700	1472	3.65	693	2095	2.46	532
0037	4.17	750	1624 E	6.84	750	2105	2.19	496
0042	5.75	750	1642	3.68	697	2110	1.92	459
0050	4.68	750	1654	5.65	750	2111	2.26	505
0059 D	0.27		1655	4.46	750	2112	2.44	529
0065 D	0.04		1699	1.80	443	2114	2.41	525
0066 D	0.04		1701	2.79	577	2121	2.01	471
0067 D	0.04		1710 E	5.51	750	2130	2.52	540
0079	3.81	714	1741 E	1.67	425	2131	1.70	430
0083	8.79	750	1745 X	2.70	565	2143	1.97	466
0106	10.28	750	1747	2.35	517	2157	3.65	693
0113	5.16	750	1748	6.72	750	2172	1.42	392
0170	2.22	500	1803 D	4.83	750	2174	2.64	556
0251	4.54	750	1852 D	2.24	502	2211	4.93	750
0400	7.27	750	1853	2.09	482	2220	1.76	438
0401	9.92	750	1860	1.76	438	2286	1.28	373
0771 N	0.27		1924	3.81	714	2288	3.64	691
0908 P	128.00	328	1925	2.64	556	2300	1.92	459
0913 P	315.88	750	2001	2.15	490	2302	1.53	407
0917	3.53	677	2002	2.70	565	2305	1.92	459
1005 *	9.94	750	2003	3.04	610	2361	1.09	347
1016 X*	37.09	750	2014	5.72	750	2362	1.58	413
1164 E	6.42	750	2016	1.79	442	2380	4.07	749
1165 E	4.23	750	2021	2.99	604	2386	1.01	336
1320	2.64	556	2039	4.01	741	2388	1.73	434

* **1005** - Includes a non-ratable disease element of \$4.85. (For coverage written separately for federal benefits only, \$3.20. For coverage written separately for state benefits only, \$1.65.) See Exception Rules.

* **1016** - Includes a non-ratable disease element of \$19.39. (For coverage written separately for federal benefits only, \$12.78. For coverage written separately for state benefits only, \$6.61), and a catastrophe load of \$0.11.

Non-Ratable Code and Rate to be used with:

b 4771

<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>
2402	1.94	462	2960	2.91	593	3257	3.07	614
2413	1.52	405	3004	2.47	533	3270	2.91	593
2416	1.50	403	3018	2.31	512	3300	4.02	743
2417	1.42	392	3022	2.86	586	3303	3.44	664
2501	1.22	365	3027	2.41	525	3307	3.02	608
2503	1.21	363	3028	2.09	482	3315	2.37	520
2534	1.94	462	3030	3.62	689	3334	1.92	459
2570	4.46	750	3040	3.35	652	3336	1.98	467
2585	2.79	577	3041	2.99	604	3365	9.21	750
2586	1.19	361	3042	2.86	586	3372	2.56	546
2587	2.61	552	3064	4.14	750	3373	2.61	552
2589	1.30	376	3069	6.04	750	3383	0.97	331
2600	5.75	750	3076	2.67	560	3385	0.79	307
2623	2.53	542	3081 D	2.59	550	3400	2.44	529
2651	2.37	520	3082 D	3.50	673	3507	2.79	577
2660	1.31	377	3085 D	2.92	594	3515	1.97	466
2670	2.07	479	3110	2.56	546	3548	1.22	365
2683	1.77	439	3111	2.68	562	3559	2.34	516
2688	2.74	570	3113	2.12	486	3574	1.01	336
2701	6.66	750	3114	2.35	517	3581	1.30	376
2702 X	27.16	750	3118	1.09	347	3612	1.98	467
2710	7.91	750	3119	0.98	332	3620	5.23	750
2714	3.75	706	3122	1.36	384	3629	1.50	403
2719 X	9.97	750	3126	1.55	409	3632	3.07	614
2731	3.34	651	3131	0.94	327	3634	1.53	407
2735	2.34	516	3132	2.22	500	3635	1.86	451
2759	7.61	750	3145	2.15	490	3638	1.33	380
2790	1.40	389	3146	2.47	533	3642	0.76	303
2802	4.74	750	3169	2.21	498	3643	2.67	560
2812	3.32	648	3175 D	2.56	546	3647	3.02	608
2835	1.45	396	3179	2.16	492	3648	1.94	462
2836	2.03	474	3180	1.61	417	3681	1.40	389
2841	3.35	652	3188	1.37	385	3685	1.61	417
2881	2.26	505	3220	1.70	430	3719	2.35	517
2883	3.68	697	3223	2.70	565	3724	5.21	750
2913	3.68	697	3224	2.21	498	3726	2.73	569
2915	3.83	717	3227	1.64	421	3803	1.71	431
2916	2.10	484	3240	2.73	569	3807	1.89	455
2923	2.16	492	3241	2.53	542	3808	2.47	533
2942	2.12	486	3255	2.10	484	3821	3.73	704

<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>
3822	3.26	640	4304	2.49	536	4777	1.56	411
3824	4.37	750	4307	1.98	467	4825	0.80	308
3826	0.79	307	4351	1.03	339	4828	1.50	403
3827	1.42	392	4352	0.91	323	4829	1.09	347
3830	1.01	336	4360	0.82	311	4902	1.21	363
3851	2.38	521	4361	1.19	361	4923	1.00	335
3865	1.15	355	4362	1.04	340	5020	6.63	750
3881	3.17	628	4410	2.89	590	5022	4.77	750
4000	6.51	750	4420	3.49	671	5037	18.70	750
4021	5.33	750	4431	1.34	381	5040	25.08	750
4024 E	2.00	470	4432	1.45	396	5057	17.94	750
4034	6.26	750	4439	1.52	405	5059	21.31	750
4036	2.26	505	4452	2.94	597	5069	26.91	750
4038	1.95	463	4459	1.68	427	5102	3.95	733
4053	3.10	619	4470	2.15	490	5146	4.83	750
4061	3.81	714	4484	1.88	454	5160	3.41	660
4062	2.07	479	4493	2.28	508	5183	2.88	589
4101	1.80	443	4511	0.67	290	5188	4.32	750
4111	2.76	573	4557	1.53	407	5190	2.64	556
4112	0.85	315	4558	1.49	401	5191 X	1.79	442
4113	1.19	361	4561	1.79	442	5192	3.86	721
4114	2.00	470	4568	2.34	516	5213	6.81	750
4130	4.10	750	4581	1.56	411	5215	4.07	749
4131	2.19	496	4583	4.78	750	5221	5.01	750
4133	2.16	492	4611	0.86	316	5222	11.56	750
4150	1.50	403	4635	4.46	750	5223	5.10	750
4206	3.31	647	4653	1.16	357	5348	3.95	733
4207	0.91	323	4665	6.03	750	5402	4.38	750
4239	1.15	355	4670	3.46	667	5403	9.06	750
4240	2.22	500	4683	4.41	750	5437	4.29	750
4243	1.50	403	4686	1.15	355	5443	3.89	725
4244	2.67	560	4692	0.43	258	5445	4.87	750
4250	1.34	381	4693	0.83	312	5462	5.14	750
4251	1.59	415	4703	2.18	494	5472	4.68	750
4263	1.98	467	4717	1.61	417	5473	6.41	750
4273	1.73	434	4720	4.71	750	5474	7.03	750
4279	1.62	419	4740	1.39	388	5478	4.28	750
4282	1.91	458	4741	1.58	413	5479	7.57	750
4283	1.77	439	4751	1.34	381	5480	7.66	750
4299	1.34	381	4771 N	1.53	407	5491	1.98	467

For Non-Ratable portion of Rate, refer to:
b 0771

Class Code	Manual Rate	Min. Prem.	Class Code	Manual Rate	Min. Prem.	Class Code	Manual Rate	Min. Prem.
5506	3.58	683	6854	4.95	750	7710	5.65	750
5507	5.38	750	6882	4.95	750	7711	5.65	750
5508 D	9.07	750	6884	11.18	750	7720 X	2.52	540
5535	6.04	750	7133	3.35	652	7855	6.08	750
5537	4.50	750	7222	9.39	750	8001	2.18	494
5551	13.65	750	7228 X	6.66	750	8002	3.17	628
5606	1.38	386	7229 X	6.99	750	8006	1.89	455
5610	5.32	750	7230	3.93	731	8008	1.19	361
5645	10.86	750	7231	5.22	750	8010	1.85	450
5651	8.06	750	7232	12.31	750	8013	0.41	255
5703	87.85	750	7360	6.79	750	8015	0.63	285
5705	5.14	750	7370	4.80	750	8017	1.15	355
5951	0.39	253	7380 X	3.31	647	8018 X*	2.46	532
6003	9.63	750	7382	2.73	569	8021	1.82	446
6005	7.32	750	7390	3.53	677	8031	3.78	710
6017	3.75	706	7403	2.83	582	8032	1.55	409
6018	2.04	475	7405 N	1.12	351	8033	1.85	450
6045	2.37	520	7420 X*	24.53	750	8039	1.34	381
6204	9.58	750	7421	2.59	550	8044	2.70	565
6206	6.08	750	7422	2.19	496	8045	0.40	254
6213	8.00	750	7425	4.05	747	8046	2.61	552
6214	2.70	565	7431 N	1.65	423	8047	1.04	340
6216	6.23	750	7445 N	0.60	281	8058	2.28	508
6217	4.87	750	7453 N	0.89	320	8072	0.79	307
6229	4.83	750	7502	2.43	528	8102	2.47	533
6233	5.26	750	7515	1.04	340	8103	3.65	693
6235	13.99	750	7520	2.21	498	8105	4.72	750
6236	11.52	750	7538	9.88	750	8106	3.74	705
6237	2.95	598	7539	4.23	750	8107	3.19	631
6251 D	7.67	750	7540	2.77	574	8111	3.68	697
6252 D	5.74	750	7580	1.83	447	8116	3.69	698
6260 D	5.07	750	7590	5.07	750	8203	5.38	750
6306	5.45	750	7600	2.55	544	8204	4.66	750
6319	5.32	750	7601	11.49	750	8209	2.92	594
6325	4.44	750	7605	3.20	632	8215	5.60	750
6400	6.66	750	7610	0.52	270	8227	3.05	612
6504	2.29	509	7611	5.14	750	8232	5.23	750
6811	4.95	750	7612	11.46	750	8233	5.01	750
6834	3.50	673	7613	4.57	750	8235	4.04	745
6836	5.71	750	7705	2.52	540	8263	9.12	750

* 7409 Payroll is subject to a maximum of \$600 per week per employee effective January 1, 2005.

* 7420 Payroll is subject to a maximum of \$750 per week per employee effective July 1, 2008.

* 8018 See Arkansas Special Classification for Warehousing-groceries exclusively.

Non-Ratable Code and Rate to be used with:

d 7405 e 7431

For Non-Ratable portion of Rate, refer to:

b 7445 c 7453

<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>
8264	3.29	644	8868	0.37	250	9521	5.17	750
8265	9.07	750	8869	0.72	297	9522	1.53	407
8279	8.72	750	8871	0.22	230	9534	6.82	750
8288	5.87	750	8901	0.25	234	9554	7.24	750
8291	2.04	475	9012	1.89	455	9586	0.64	286
8292	2.91	593	9014	2.71	566	9600	1.59	415
8293	6.69	750	9015 X	2.35	517	9620	1.10	349
8295 X	7.32	750	9016	6.08	750			
8304	6.73	750	9019	2.89	590			
8350	4.99	750	9033	1.92	459			
8380	2.95	598	9040 *	3.44	664			
8381	1.46	397	9052	1.52	405			
8385	2.35	517	9058	1.74	435			
8392	2.94	597	9059	2.70	565			
8393	1.67	425	9060	1.77	439			
8500	6.20	750	9061	1.36	384			
8601	0.80	308	9063	0.97	331			
8606	2.73	569	9082	1.56	411			
8719	1.83	447	9083	1.58	413			
8720	1.33	380	9084	1.83	447			
8721	0.39	253	9089	1.12	351			
8742 X	0.46	262	9093	1.37	385			
8745	4.47	750	9101	2.95	598			
8748	0.40	254	9102	2.85	585			
8755	0.25	234	9154	1.89	455			
8799	0.94	327	9156	1.28	373			
8800	0.94	327	9170	2.71	566			
8803	0.07	209	9178	25.60	750			
8810	0.24	232	9179	35.12	750			
8820	0.21	228	9180	3.62	689			
8824	2.41	525	9182	2.64	556			
8825	2.06	478	9186	52.02	750			
8826	2.18	494	9220	3.32	648			
8829	2.62	554	9402	4.20	750			
8831	2.56	546	9403	5.59	750			
8832	0.27	236	9410	1.71	431			
8833 X*	0.88	319	9501	4.29	750			
8835	1.92	459	9505	3.73	704			
8842	1.43	393	9516	3.17	628			
8864	1.43	393	9519	1.79	442			

* **8833 & 9040** A charge of \$0.14 is to added to this class' rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Rating Organization having jurisdiction for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department.

MISCELLANEOUS VALUES

Basis of Premium applicable in accordance with the footnote instructions for Code 7370 - "Taxicab Co. - Drivers" and "Limousine Co. - Drivers":

Employee Operated Vehicles	\$48,893.00
Leased or Rented Vehicles	\$32,595.00

Expense Constant applicable in accordance with Basic Manual Rule 3-A-11 \$200.00

Premium Discount Percentages - (See Basic Manual Rule 3-A-19-a). The following premium discounts are applicable to Standard Premiums.

			Premium Discount
First \$	5,000	-	-
Next	95,000	"a"	10.9%
Next	400,000	"b"	12.6%
Over	500,000	"c"	14.4%

Maximum Payroll applicable in accordance with Basic Manual Rule 2-E-1 --

"Executive Officers" and the footnote instructions for Code 9178--"Athletic Team: Non-Contact Sports," Code 9179
"Athletic Team: Contact Sports" and Code 9186"Carnival--Traveling" \$2,500.00

Minimum Payroll applicable in accordance with Basic Manual Rule 2-E-1 "Executive Officers" \$300.00

7420 -"Aviation - Aerial Application, Seeding, Herding, or Scintillometer Surveying - Flying Crew"
maximum payroll per week per employee \$750.00

Per Passenger Seat Surcharge - In accordance with the footnote instructions for Classification Code 7421,
the surcharge is \$100 per passenger seat
\$1,000 maximum surcharge per aircraft

Premium Determination for Partners and Sole Proprietors applicable in accordance with Basic Manual Rule
2-E-3 \$31,900.00

Terrorism
Terrorism premium charge per \$100 of total policy payroll \$0.01

Catastrophic (other than Certified Acts of Terrorism)
Terrorism premium charge per \$100 of total policy payroll \$0.01

Per Claim Deductible Credits : The following are applicable by hazard group:

Deductible Credit	Hazard Group						
	A	B	C	D	E	F	G
500	7.8%	6.4%	5.5%	4.6%	3.9%	2.7%	2.1%
1,000	10.4%	8.5%	7.3%	6.1%	5.2%	3.6%	2.7%
1,500	12.7%	10.4%	9.0%	7.6%	6.4%	4.6%	3.5%
2,000	14.5%	11.9%	10.4%	8.8%	7.5%	5.4%	4.2%
2,500	16.0%	13.3%	11.6%	9.9%	8.5%	6.2%	4.8%
3,000	17.4%	14.4%	12.6%	10.9%	9.3%	6.9%	5.3%
3,500	18.6%	15.5%	13.6%	11.8%	10.1%	7.5%	5.8%
4,000	19.8%	16.6%	14.6%	12.7%	10.9%	8.2%	6.3%
4,500	20.9%	17.5%	15.5%	13.5%	11.6%	8.7%	6.8%
5,000	21.9%	18.4%	16.3%	14.2%	12.3%	9.3%	7.2%

MISCELLANEOUS VALUES

Indemnity Only Deductible Credits : The following are applicable by hazard group:

Deductible Credit	Hazard Group						
	A	B	C	D	E	F	G
500	1.7%	1.4%	1.3%	1.2%	1.0%	0.9%	0.7%
1,000	2.2%	1.8%	1.7%	1.6%	1.4%	1.2%	0.9%
1,500	3.1%	2.6%	2.4%	2.2%	1.9%	1.6%	1.3%
2,000	3.9%	3.2%	3.0%	2.8%	2.4%	2.1%	1.6%
2,500	4.5%	3.8%	3.5%	3.3%	2.9%	2.5%	1.9%
3,000	5.1%	4.3%	4.0%	3.7%	3.3%	2.8%	2.2%
3,500	5.7%	4.8%	4.5%	4.2%	3.7%	3.1%	2.4%
4,000	6.2%	5.3%	4.9%	4.6%	4.1%	3.5%	2.7%
4,500	6.7%	5.7%	5.3%	5.0%	4.4%	3.8%	2.9%
5,000	7.2%	6.1%	5.7%	5.3%	4.7%	4.0%	3.2%

Medical Only Deductible Credits : The following are applicable by hazard group:

Deductible Credit	Hazard Group						
	A	B	C	D	E	F	G
500	7.6%	6.2%	5.3%	4.4%	3.7%	2.6%	2.0%
1,000	10.1%	8.2%	7.0%	5.9%	5.0%	3.4%	2.6%
1,500	12.1%	9.9%	8.5%	7.2%	6.1%	4.3%	3.3%
2,000	13.6%	11.2%	9.7%	8.2%	7.0%	5.0%	3.8%
2,500	14.9%	12.3%	10.7%	9.1%	7.7%	5.6%	4.3%
3,000	16.0%	13.3%	11.6%	9.9%	8.4%	6.1%	4.7%
3,500	17.0%	14.1%	12.3%	10.6%	9.0%	6.6%	5.1%
4,000	17.9%	14.9%	13.0%	11.2%	9.6%	7.1%	5.5%
4,500	18.7%	15.6%	13.7%	11.8%	10.1%	7.5%	5.8%
5,000	19.4%	16.3%	14.3%	12.4%	10.6%	7.9%	6.1%

United States Longshore and Harbor Workers' Compensation Coverage Percentage

applicable only in connection with Rule 3-A-4 "U.S. Longshore and Harbor Workers' Compensation Act" of the Basic Manual

86%

(Multiply a Non-F classification rate by a factor of 1.86)

EXPERIENCE RATING ELIGIBILITY

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$8,000. If more than two years, an average annual premium of at least \$4,000 is required. Page A-1 of the Experience Rating Plan Manual should be referenced for the latest approved eligibility amounts by state.

1. Hazard Group Differentials

A	B	C	D	E	F	G
1.890	1.420	1.260	1.130	0.980	0.790	0.590

2. Tax Multiplier

1.020

4. Table of Expense RatiosStock
XXIII-A3. Expected Loss Ratio

70.4%

5. 2008 - Table of Expected Loss Ranges

Effective January 1, 2008

6. Excess Loss Factors

Per Accident Limitation	Hazard Groups						
	A	B	C	D	D	D	D
25,000	0.279	0.320	0.345	0.368	0.395	0.433	0.469
30,000	0.258	0.298	0.325	0.348	0.376	0.416	0.455 *
35,000	0.240	0.280	0.307	0.330	0.359	0.401	0.441 *
40,000	0.225	0.264	0.291	0.315	0.344	0.386	0.429 *
50,000	0.199	0.237	0.264	0.288	0.318	0.362	0.408 *
75,000	0.158	0.191	0.218	0.240	0.270	0.315	0.366 *
100,000	0.133	0.162	0.187	0.208	0.238	0.282	0.335 *
125,000	0.115	0.141	0.165	0.184	0.213	0.256	0.310
150,000	0.103	0.126	0.149	0.168	0.195	0.237	0.291
175,000	0.093	0.114	0.137	0.153	0.180	0.220	0.275
200,000	0.085	0.105	0.126	0.142	0.167	0.206	0.260
250,000	0.074	0.091	0.111	0.125	0.147	0.184	0.238
300,000	0.065	0.080	0.099	0.112	0.132	0.167	0.220
500,000	0.047	0.058	0.073	0.082	0.098	0.125	0.174
1,000,000	0.031	0.038	0.049	0.054	0.065	0.084	0.123
2,000,000	0.018	0.024	0.031	0.035	0.042	0.056	0.084
5,000,000	0.008	0.011	0.015	0.017	0.020	0.028	0.045

7.

Retrospective Development FactorsWith Loss Limit

1st Adj.	2nd Adj.	3rd Adj.
0.05	0.05	0.04

Without Loss Limit

1st Adj.	2nd Adj.	3rd Adj.	4th & Subsequent Adjustment
0.11	0.11	0.08	0

(Reserved for Future Use)

LEGEND

C Classification is a chemical code.

E Classification involving specific disease loading. Refer to Home Office for amount.

D Special Disease Rule for this classification - see Rule IV of Manual Supplement - Treatment of Disease Coverage.

P Per Capita

X Refer to special classification phraseology in these pages which is applicable in this state.

Class Code	Manual Rate	Min. Prem.	Class Code	Manual Rate	Min. Prem.	Class Code	Manual Rate	Min. Prem.
0005	5.20	750	1322	12.74	750	2041	3.46	667
0008	2.12	486	1430	3.51	674	2065	1.30	376
0016	4.56	750	1438	1.97	466	2070	4.43	750
0034	3.50	673	1452	1.37	385	2081	3.12	621
0035	2.09	482	1463	9.44	750	2089	2.05	477
0036	3.33	650	1472	3.29	644	2095	2.21	498
0037	3.75	706	1624 E	6.16	750	2105	1.97	466
0042	5.18	750	1642	3.31	647	2110	1.73	434
0050	4.21	750	1654	5.08	750	2111	2.04	475
0059 D	0.24		1655	4.01	741	2112	2.20	497
0065 D	0.04		1699	1.62	419	2114	2.17	493
0066 D	0.04		1701	2.51	539	2121	1.81	444
0067 D	0.04		1710 E	4.96	750	2130	2.27	506
0079	3.43	663	1741 E	1.50	403	2131	1.53	407
0083	7.91	750	1745 X	2.43	528	2143	1.77	439
0106	9.25	750	1747	2.12	486	2157	3.29	644
0113	4.64	750	1748	6.05	750	2172	1.27	371
0170	2.00	470	1803 D	4.34	750	2174	2.37	520
0251	4.09	750	1852 D	2.01	471	2211	4.44	750
0400	6.54	750	1853	1.88	454	2220	1.58	413
0401	8.93	750	1860	1.58	413	2286	1.15	355
0771 N	0.24		1924	3.43	663	2288	3.27	641
0908 P	115.00	315	1925	2.37	520	2300	1.73	434
0913 P	284.29	750	2001	1.93	461	2302	1.38	386
0917	3.18	629	2002	2.43	528	2305	1.73	434
1005 *	8.94	750	2003	2.74	570	2361	0.98	332
1016 X*	33.38	750	2014	5.15	750	2362	1.42	392
1164 E	5.78	750	2016	1.61	417	2380	3.66	694
1165 E	3.81	714	2021	2.70	565	2386	0.91	323
1320	2.37	520	2039	3.61	687	2388	1.56	411

* 1005 - Includes a non-ratable disease element of \$4.37. (For coverage written separately for federal benefits only, \$8.88. For coverage written separately for state benefits only, \$1.48.) See Exception Rules.

* 1016 - Includes a non-ratable disease element of \$17.45. (For coverage written separately for federal benefits only, \$11.50. For coverage written separately for state benefits only, \$5.95), and a catastrophe load of \$0.10.

Non-Ratable Code and Rate to be used with:

b 4771

<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>
2402	1.74	435	2960	2.61	552	3257	2.76	573
2413	1.37	385	3004	2.23	501	3270	2.61	552
2416	1.35	382	3018	2.08	481	3300	3.62	689
2417	1.27	371	3022	2.57	547	3303	3.10	619
2501	1.10	349	3027	2.17	493	3307	2.72	567
2503	1.09	347	3028	1.88	454	3315	2.13	488
2534	1.74	435	3030	3.26	640	3334	1.73	434
2570	4.01	741	3040	3.02	608	3336	1.78	440
2585	2.51	539	3041	2.70	565	3365	8.29	750
2586	1.07	344	3042	2.57	547	3372	2.31	512
2587	2.35	517	3064	3.73	704	3373	2.35	517
2589	1.17	358	3069	5.44	750	3383	0.87	317
2600	5.18	750	3076	2.40	524	3385	0.71	296
2623	2.28	508	3081 D	2.33	515	3400	2.20	497
2651	2.13	488	3082 D	3.15	625	3507	2.51	539
2660	1.18	359	3085 D	2.63	555	3515	1.77	439
2670	1.86	451	3110	2.31	512	3548	1.10	349
2683	1.60	416	3111	2.41	525	3559	2.11	485
2688	2.47	533	3113	1.90	457	3574	0.91	323
2701	5.99	750	3114	2.12	486	3581	1.17	358
2702 X	24.45	750	3118	0.98	332	3612	1.78	440
2710	7.12	750	3119	0.89	320	3620	4.71	750
2714	3.38	656	3122	1.22	365	3629	1.35	382
2719 X	8.97	750	3126	1.39	388	3632	2.76	573
2731	3.00	605	3131	0.84	313	3634	1.38	386
2735	2.11	485	3132	2.00	470	3635	1.68	427
2759	6.85	750	3145	1.93	461	3638	1.19	361
2790	1.26	370	3146	2.23	501	3642	0.68	292
2802	4.26	750	3169	1.98	467	3643	2.40	524
2812	2.99	604	3175 D	2.31	512	3647	2.72	567
2835	1.30	376	3179	1.94	462	3648	1.74	435
2836	1.82	446	3180	1.45	396	3681	1.26	370
2841	3.02	608	3188	1.23	366	3685	1.45	396
2881	2.04	475	3220	1.53	407	3719	2.12	486
2883	3.31	647	3223	2.43	528	3724	4.69	750
2913	3.31	647	3224	1.98	467	3726	2.45	531
2915	3.45	666	3227	1.48	400	3803	1.54	408
2916	1.89	455	3240	2.45	531	3807	1.70	430
2923	1.94	462	3241	2.28	508	3808	2.23	501
2942	1.90	457	3255	1.89	455	3821	3.35	652

<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>
3822	2.94	597	4304	2.24	502	4777	1.41	390
3824	3.93	731	4307	1.78	440	4825	0.72	297
3826	0.71	296	4351	0.93	326	4828	1.35	382
3827	1.27	371	4352	0.82	311	4829	0.98	332
3830	0.91	323	4360	0.74	300	4902	1.09	347
3851	2.15	490	4361	1.07	344	4923	0.90	322
3865	1.03	339	4362	0.94	327	5020	5.97	750
3881	2.86	586	4410	2.60	551	5022	4.29	750
4000	5.86	750	4420	3.14	624	5037	16.83	750
4021	4.80	750	4431	1.21	363	5040	22.57	750
4024 E	1.80	443	4432	1.30	376	5057	16.15	750
4034	5.63	750	4439	1.37	385	5059	19.18	750
4036	2.04	475	4452	2.64	556	5069	24.22	750
4038	1.76	438	4459	1.52	405	5102	3.55	679
4053	2.79	577	4470	1.93	461	5146	4.34	750
4061	3.43	663	4484	1.69	428	5160	3.07	614
4062	1.86	451	4493	2.05	477	5183	2.59	550
4101	1.62	419	4511	0.60	281	5188	3.89	725
4111	2.48	535	4557	1.38	386	5190	2.37	520
4112	0.76	303	4558	1.34	381	5191 X	1.61	417
4113	1.07	344	4561	1.61	417	5192	3.47	668
4114	1.80	443	4568	2.11	485	5213	6.13	750
4130	3.69	698	4581	1.41	390	5215	3.66	694
4131	1.97	466	4583	4.30	750	5221	4.51	750
4133	1.94	462	4611	0.78	305	5222	10.41	750
4150	1.35	382	4635	4.01	741	5223	4.59	750
4206	2.98	602	4653	1.05	342	5348	3.55	679
4207	0.82	311	4665	5.43	750	5402	3.94	732
4239	1.03	339	4670	3.11	620	5403	8.15	750
4240	2.00	470	4683	3.97	736	5437	3.86	721
4243	1.35	382	4686	1.03	339	5443	3.50	673
4244	2.40	524	4692	0.39	253	5445	4.39	750
4250	1.21	363	4693	0.75	301	5462	4.63	750
4251	1.43	393	4703	1.96	465	5472	4.21	750
4263	1.78	440	4717	1.45	396	5473	5.77	750
4273	1.56	411	4720	4.24	750	5474	6.33	750
4279	1.46	397	4740	1.25	369	5478	3.85	720
4282	1.72	432	4741	1.42	392	5479	6.81	750
4283	1.60	416	4751	1.21	363	5480	6.89	750
4299	1.21	363	4771 N	1.38	386	5491	1.78	440

For Non-Ratable portion of Rate, refer to:

b 0771

<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>
5506	3.22	635	6854	4.45	750	7710	5.08	750
5507	4.84	750	6882	4.45	750	7711	5.08	750
5508 D	8.17	750	6884	10.06	750	7720 X	2.27	506
5535	5.44	750	7133	3.02	608	7855	5.47	750
5537	4.05	747	7222	8.45	750	8001	1.96	465
5551	12.28	750	7228 X	5.99	750	8002	2.86	586
5606	1.24	367	7229 X	6.29	750	8006	1.70	430
5610	4.79	750	7230	3.54	678	8008	1.07	344
5645	9.78	750	7231	4.69	750	8010	1.66	424
5651	7.25	750	7232	11.08	750	8013	0.36	249
5703	79.07	750	7360	6.11	750	8015	0.56	276
5705	4.63	750	7370	4.32	750	8017	1.03	339
5951	0.35	247	7380 X	2.98	602	8018 X*	2.21	498
6003	8.66	750	7382	2.45	531	8021	1.64	421
6005	6.58	750	7390	3.18	629	8031	3.41	660
6017	3.38	656	7403	2.55	544	8032	1.39	388
6018	1.84	448	7405 N	1.01	336	8033	1.66	424
6045	2.13	488	7420 X*	22.07	750	8039	1.21	363
6204	8.62	750	7421	2.33	515	8044	2.43	528
6206	5.47	750	7422	1.97	466	8045	0.36	249
6213	7.20	750	7425	3.65	693	8046	2.35	517
6214	2.43	528	7431 N	1.49	401	8047	0.94	327
6216	5.61	750	7445 N	0.54	273	8058	2.05	477
6217	4.39	750	7453 N	0.80	308	8072	0.71	296
6229	4.34	750	7502	2.19	496	8102	2.23	501
6233	4.73	750	7515	0.94	327	8103	3.29	644
6235	12.59	750	7520	1.98	467	8105	4.25	750
6236	10.37	750	7538	8.89	750	8106	3.37	655
6237	2.66	559	7539	3.81	714	8107	2.87	587
6251 D	6.91	750	7540	2.49	536	8111	3.31	647
6252 D	5.16	750	7580	1.65	423	8116	3.32	648
6260 D	4.56	750	7590	4.56	750	8203	4.84	750
6306	4.91	750	7600	2.29	509	8204	4.20	750
6319	4.79	750	7601	10.34	750	8209	2.63	555
6325	4.00	740	7605	2.88	589	8215	5.04	750
6400	5.99	750	7610	0.47	263	8227	2.75	571
6504	2.07	479	7611	4.63	750	8232	4.71	750
6811	4.45	750	7612	10.31	750	8233	4.51	750
6834	3.15	625	7613	4.12	750	8235	3.63	690
6836	5.14	750	7705	2.27	506	8263	8.21	750

* 7409 Payroll is subject to a maximum of \$600 per week per employee effective January 1, 2005.

* 7420 Payroll is subject to a maximum of \$750 per week per employee effective July 1, 2008.

* 8018 See Arkansas Special Classification for Warehousing-groceries exclusively.

Non-Ratable Code and Rate to be used with:

d 7405 e 7431

For Non-Ratable portion of Rate, refer to:

b 7445 c 7453

<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>	<u>Class Code</u>	<u>Manual Rate</u>	<u>Min. Prem.</u>
8264	2.96	600	8868	0.34	246	9521	4.65	750
8265	8.17	750	8869	0.64	286	9522	1.38	386
8279	7.84	750	8871	0.20	227	9534	6.14	750
8288	5.28	750	8901	0.23	231	9554	6.52	750
8291	1.84	448	9012	1.70	430	9586	0.58	278
8292	2.61	552	9014	2.44	529	9600	1.43	393
8293	6.02	750	9015 X	2.12	486	9620	0.99	334
8295 X	6.58	750	9016	5.47	750			
8304	6.06	750	9019	2.60	551			
8350	4.49	750	9033	1.73	434			
8380	2.66	559	9040 *	3.10	619			
8381	1.31	377	9052	1.37	385			
8385	2.12	486	9058	1.57	412			
8392	2.64	556	9059	2.43	528			
8393	1.50	403	9060	1.60	416			
8500	5.58	750	9061	1.22	365			
8601	0.72	297	9063	0.87	317			
8606	2.45	531	9082	1.41	390			
8719	1.65	423	9083	1.42	392			
8720	1.19	361	9084	1.65	423			
8721	0.35	247	9089	1.01	336			
8742 X	0.42	257	9093	1.23	366			
8745	4.02	743	9101	2.66	559			
8748	0.36	249	9102	2.56	546			
8755	0.23	231	9154	1.70	430			
8799	0.84	313	9156	1.15	355			
8800	0.84	313	9170	2.44	529			
8803	0.07	209	9178	23.04	750			
8810	0.21	228	9179	31.61	750			
8820	0.19	226	9180	3.26	640			
8824	2.17	493	9182	2.37	520			
8825	1.85	450	9186	46.81	750			
8826	1.96	465	9220	2.99	604			
8829	2.36	519	9402	3.78	710			
8831	2.31	512	9403	5.03	750			
8832	0.24	232	9410	1.54	408			
8833 X*	0.79	307	9501	3.86	721			
8835	1.73	434	9505	3.35	652			
8842	1.29	374	9516	2.86	586			
8864	1.29	374	9519	1.61	417			

* **8833 & 9040** A charge of \$0.13 is to be added to this class' rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Rating Organization having jurisdiction for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department.

MISCELLANEOUS VALUES

Basis of Premium applicable in accordance with the footnote instructions for Code 7370 - "Taxicab Co. - Drivers" and "Limousine Co. - Drivers":

Employee Operated Vehicles	\$48,893.00
Leased or Rented Vehicles	\$32,595.00

Expense Constant applicable in accordance with Basic Manual Rule 3-A-11 \$200.00

Premium Discount Percentages - (See Basic Manual Rule 3-A-19-a). The following premium discounts are applicable to Standard Premiums.

			Premium Discount
First \$	5,000	-	-
Next	95,000	"a"	10.9%
Next	400,000	"b"	12.6%
Over	500,000	"c"	14.4%

Maximum Payroll applicable in accordance with Basic Manual Rule 2-E-1 --

"Executive Officers" and the footnote instructions for Code 9178--"Athletic Team: Non-Contact Sports," Code 9179
"Athletic Team: Contact Sports" and Code 9186"Carnival--Traveling" \$2,500.00

Minimum Payroll applicable in accordance with Basic Manual Rule 2-E-1 "Executive Officers" \$300.00

7420 -"Aviation - Aerial Application, Seeding, Herding, or Scintillometer Surveying - Flying Crew"
maximum payroll per week per employee \$750.00

Per Passenger Seat Surcharge - In accordance with the footnote instructions for Classification Code 7421,
the surcharge is \$100 per passenger seat
\$1,000 maximum surcharge per aircraft

Premium Determination for Partners and Sole Proprietors applicable in accordance with Basic Manual Rule
2-E-3 \$31,900.00

Terrorism
Terrorism premium charge per \$100 of total policy payroll \$0.01

Catastrophic (other than Certified Acts of Terrorism)
Terrorism premium charge per \$100 of total policy payroll \$0.01

Per Claim Deductible Credits : The following are applicable by hazard group:

Deductible Credit	Hazard Group						
	A	B	C	D	E	F	G
500	7.8%	6.4%	5.5%	4.6%	3.9%	2.7%	2.1%
1,000	10.4%	8.5%	7.3%	6.1%	5.2%	3.6%	2.7%
1,500	12.7%	10.4%	9.0%	7.6%	6.4%	4.6%	3.5%
2,000	14.5%	11.9%	10.4%	8.8%	7.5%	5.4%	4.2%
2,500	16.0%	13.3%	11.6%	9.9%	8.5%	6.2%	4.8%
3,000	17.4%	14.4%	12.6%	10.9%	9.3%	6.9%	5.3%
3,500	18.6%	15.5%	13.6%	11.8%	10.1%	7.5%	5.8%
4,000	19.8%	16.6%	14.6%	12.7%	10.9%	8.2%	6.3%
4,500	20.9%	17.5%	15.5%	13.5%	11.6%	8.7%	6.8%
5,000	21.9%	18.4%	16.3%	14.2%	12.3%	9.3%	7.2%

MISCELLANEOUS VALUES

Indemnity Only Deductible Credits : The following are applicable by hazard group:

Deductible Credit	Hazard Group						
	A	B	C	D	E	F	G
500	1.7%	1.4%	1.3%	1.2%	1.0%	0.9%	0.7%
1,000	2.2%	1.8%	1.7%	1.6%	1.4%	1.2%	0.9%
1,500	3.1%	2.6%	2.4%	2.2%	1.9%	1.6%	1.3%
2,000	3.9%	3.2%	3.0%	2.8%	2.4%	2.1%	1.6%
2,500	4.5%	3.8%	3.5%	3.3%	2.9%	2.5%	1.9%
3,000	5.1%	4.3%	4.0%	3.7%	3.3%	2.8%	2.2%
3,500	5.7%	4.8%	4.5%	4.2%	3.7%	3.1%	2.4%
4,000	6.2%	5.3%	4.9%	4.6%	4.1%	3.5%	2.7%
4,500	6.7%	5.7%	5.3%	5.0%	4.4%	3.8%	2.9%
5,000	7.2%	6.1%	5.7%	5.3%	4.7%	4.0%	3.2%

Medical Only Deductible Credits : The following are applicable by hazard group:

Deductible Credit	Hazard Group						
	A	B	C	D	E	F	G
500	7.6%	6.2%	5.3%	4.4%	3.7%	2.6%	2.0%
1,000	10.1%	8.2%	7.0%	5.9%	5.0%	3.4%	2.6%
1,500	12.1%	9.9%	8.5%	7.2%	6.1%	4.3%	3.3%
2,000	13.6%	11.2%	9.7%	8.2%	7.0%	5.0%	3.8%
2,500	14.9%	12.3%	10.7%	9.1%	7.7%	5.6%	4.3%
3,000	16.0%	13.3%	11.6%	9.9%	8.4%	6.1%	4.7%
3,500	17.0%	14.1%	12.3%	10.6%	9.0%	6.6%	5.1%
4,000	17.9%	14.9%	13.0%	11.2%	9.6%	7.1%	5.5%
4,500	18.7%	15.6%	13.7%	11.8%	10.1%	7.5%	5.8%
5,000	19.4%	16.3%	14.3%	12.4%	10.6%	7.9%	6.1%

United States Longshore and Harbor Workers' Compensation Coverage Percentage

applicable only in connection with Rule 3-A-4 "U.S. Longshore and Harbor Workers' Compensation Act" of the Basic Manual

86%

(Multiply a Non-F classification rate by a factor of 1.86)

EXPERIENCE RATING ELIGIBILITY

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$8,000. If more than two years, an average annual premium of at least \$4,000 is required. Page A-1 of the Experience Rating Plan Manual should be referenced for the latest approved eligibility amounts by state.

1. Hazard Group Differentials

A	B	C	D	E	F	G
1.890	1.420	1.260	1.130	0.980	0.790	0.590

2. Tax Multiplier

1.020

4. Table of Expense RatiosStock
XXIII-A3. Expected Loss Ratio

70.4%

5. 2008 - Table of Expected Loss Ranges

Effective January 1, 2008

6. Excess Loss Factors

Per Accident Limitation	Hazard Groups						
	A	B	C	D	D	D	D
25,000	0.279	0.320	0.345	0.368	0.395	0.433	0.469
30,000	0.258	0.298	0.325	0.348	0.376	0.416	0.455 *
35,000	0.240	0.280	0.307	0.330	0.359	0.401	0.441 *
40,000	0.225	0.264	0.291	0.315	0.344	0.386	0.429 *
50,000	0.199	0.237	0.264	0.288	0.318	0.362	0.408 *
75,000	0.158	0.191	0.218	0.240	0.270	0.315	0.366 *
100,000	0.133	0.162	0.187	0.208	0.238	0.282	0.335 *
125,000	0.115	0.141	0.165	0.184	0.213	0.256	0.310
150,000	0.103	0.126	0.149	0.168	0.195	0.237	0.291
175,000	0.093	0.114	0.137	0.153	0.180	0.220	0.275
200,000	0.085	0.105	0.126	0.142	0.167	0.206	0.260
250,000	0.074	0.091	0.111	0.125	0.147	0.184	0.238
300,000	0.065	0.080	0.099	0.112	0.132	0.167	0.220
500,000	0.047	0.058	0.073	0.082	0.098	0.125	0.174
1,000,000	0.031	0.038	0.049	0.054	0.065	0.084	0.123
2,000,000	0.018	0.024	0.031	0.035	0.042	0.056	0.084
5,000,000	0.008	0.011	0.015	0.017	0.020	0.028	0.045

7.

Retrospective Development FactorsWith Loss Limit

1st Adj.	2nd Adj.	3rd Adj.
0.05	0.05	0.04

Without Loss Limit

1st Adj.	2nd Adj.	3rd Adj.	4th & Subsequent Adjustment
0.11	0.11	0.08	0

(Reserved for Future Use)

<i>SERFF Tracking Number:</i>	<i>FEMC-125863884</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Federated Mutual Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>WC-AR-09-1</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation</i>		
<i>Project Name/Number:</i>	<i>Rate Filing/WC-AR-09-1</i>		

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document- Property & Casualty	Review Status:	Approved	10/22/2008
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Comments:

I have attached corrected PC TD-1 to show reference to AR-2008-02.

Attachments:

NAIC Rate-Rule Filing Schedule PC RRFS-1.pdf
NAIC P&C Transmittal Document PC TD-1.pdf

Satisfied -Name:	NAIC Loss Cost Filing Document for Workers' Compensation	Review Status:	Approved	10/22/2008
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Comments:

I have attached corrected RF WC forms showing the correct Item number AR-2008-02.

Attachments:

AR WC Calculation of Company LCM Mutual -4%.pdf
AR WC Calculation of Company LCM Mutual -10%.pdf
AR WC Calculation of Company LCM Mutual -15%.pdf
AR WC Calculation of Company LCM Mutual Base.pdf
AR WC Calculation of Company LCM Service -4%.pdf
AR WC Calculation of Company LCM Service -10%.pdf
AR WC Calculation of Company LCM Service -15%.pdf
AR WC Calculation of Company LCM Service Base.pdf
Corrected Arkansas RF WC Page 1 Mutual.pdf
Corrected Arkansas RF WC Page 1 Service.pdf

Satisfied -Name:	NAIC loss cost data entry document	Review Status:	Approved	10/22/2008
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Comments:

Attachments:

Form RF-1 Rev. 4-96 AR Rate Filing Abstract Mutual.pdf
Form RF-1 Rev. 4-96 AR Rate Filing Abstract Service.pdf

<i>SERFF Tracking Number:</i>	<i>FEMC-125863884</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Federated Mutual Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>WC-AR-09-1</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation</i>		
<i>Project Name/Number:</i>	<i>Rate Filing/WC-AR-09-1</i>		

Satisfied -Name:	EXhibit A-Target Loss Ratio, Und Expenses	Review Status:	Approved	10/22/2008
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Comments:

Attachment:

Exhibit A- Target Loss Ratio, Und Expenses.pdf

Satisfied -Name:	Expense Constant Filing Worksheet	Review Status:	Approved	10/22/2008
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Comments:

Attachment:

Expense Constant.pdf

Satisfied -Name:	Rate Indication Exhibit	Review Status:	Approved	10/22/2008
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Comments:

Attachment:

Rate Indication.pdf

Satisfied -Name:	Cover Letter and Actuary Explanatory Memorandum	Review Status:	Approved	10/22/2008
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Comments:

Attachments:

AR Cover Letter.pdf

Explanatory Memorandum Arkansas 2009 01 01 Mutual.pdf

Explanatory Memorandum Arkansas 2009 01 01 Service.pdf

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	WC-AR-09-1
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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☐ Rate Increase ☒ Rate Decrease ☐ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
-----------	--	----------------

4a.	Rate Change by Company (As Proposed)
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Federated Mutual	N/A	-5.2%	-179,476	432	3,451,456		
Federated Service	N/A	-5.4%	-7,102	9	131,511		

4b.	Rate Change by Company (As Accepted) For State Use Only
------------	--

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5.	Overall Rate Information (Complete for Multiple Company Filings only)
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		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)	N/A	
5b	Overall percentage rate impact for this filing	- 5.2%	
5c	Effect of Rate Filing – Written premium change for this program	- 186,578	
5d	Effect of Rate Filing – Number of policyholders affected	441	

6.	Overall percentage of last rate revision	- 6.9%
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7.	Effective Date of last rate revision	7-1-08
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
-----------	---	----------------

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	Federated Mutual & Service Workers Compensation & Employers Liability Manual Pages F1-F8 (1-1-09)	[] New [X] Replacement [] Withdrawn	
02	Federated Mutual & Service Retrospective Rating Plan Manual, State Special Rating Values Pages RR1-RR2 (1-1-09)	[] New [X] Replacement [] Withdrawn	

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name	Federated Insurance Companies				Group NAIC #	007
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #		
Federated Mutual Insurance Company	MN	13935	41-0417460			
Federated Service Insurance Company	MN	28304	41-0984698			

5. Company Tracking Number	WC-AR-09-1
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Carolyn Stursa PO Box 328 Owatonna MN 55060	P & C Product Specialist	800-533-0472 Ext.: 5290	507-444-6691	cmstursa@fedins.com
7. Signature of authorized filer		<i>Carolyn Stursa</i>		
8. Please print name of authorized filer		Carolyn Stursa		

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	16.0 Workers Compensation
10. Sub-Type of Insurance (Sub-TOI)	16.0004 Standard Workers Compensation
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input checked="" type="checkbox"/> Other (Revising multipliers and adopting Item R-1398)
14. Effective Date(s) Requested	New: 1-1-2009 Renewal: 1-1-2009
15. Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	NCCI
17. Reference Organization # & Title	Item # AR-2008-02-Voluntary Advisory Loss Costs and Rating Values Eff. July 1, 2008. Item # R-1398-2008 Update to Retrospective Rating Plan Parameters—State Hazard Group Relativities
18. Company's Date of Filing	
19. Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	This filing transmittal is part of Company tracking #	WC-AR-09-1
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21. Filing Description	[This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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This Arkansas workers' compensation rate submission is applicable to policies effective on and after January 1, 2009. The revised rates and rating values are based upon the NCCI July 1, 2008 advisory pure premiums.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
-----	---

Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME Federated Mutual Insurance Company DATE October 17, 2008

NAIC NO. 13935 GROUP NO. 007

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
Yes ☐ No ☒ If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. Loss Cost Modification:

- A. The insurer hereby files to adopt the prospective loss costs in the captioned Reference Filing (CHECK ONE):

Without modification (factor = 1.000).

- ☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) For class code 5537.

- B. Loss Cost Modification expressed as a Factor 1.133 (see examples below).

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information).
PROJECTED EXPENSES: Compared to standard premium at company rates.

	Selected Provisions
A. Total Production Expense	10.2%
B. General Expense	8.3%
C. Taxes, Licenses and Fees	2.0%
D. Underwriting Profit and Contingencies*	-4.4%
E. Other (explain) Residual Market Subsidy	0.0%
F. TOTAL	16.1%

* Explain how investment income is taken into account

4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = 83.90%
B. ELR in decimal form = .8390
5. Overall Impact of Expense Constant and Minimum Premiums:
(A 2.3% impact would be expressed as 1.023.) 1.023
6. Overall impact of Size-of-Risk Discounts plus Expense Graduation
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.) .935
7. Company Formula Loss Cost Multiplier:
(2B / [6 - 3F] x 5) = 1.430
8. Company Selected Loss Cost Multiplier = 1.430
Explain any differences between 7 and 8:

9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. Yes ☐ No ☒
10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. Yes ☐ No ☒

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME Federated Mutual Insurance Company DATE October 17, 2008

NAIC NO. 13935 GROUP NO. 007

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
Yes ☐ No ☒ If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. Loss Cost Modification:

- A. The insurer hereby files to adopt the prospective loss costs in the captioned Reference Filing (CHECK ONE):

Without modification (factor = 1.000).

- ☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) For class codes 8116, 8350 .

- B. Loss Cost Modification expressed as a Factor 1.062 (see examples below).

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information).
PROJECTED EXPENSES: Compared to standard premium at company rates.

	Selected Provisions
A. Total Production Expense	10.2%
B. General Expense	8.3%
C. Taxes, Licenses and Fees	2.0%
D. Underwriting Profit and Contingencies*	-4.4%
E. Other (explain) Residual Market Subsidy	0.0%
F. TOTAL	16.1%

* Explain how investment income is taken into account

4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = 83.90%
B. ELR in decimal form = .8390
5. Overall Impact of Expense Constant and Minimum Premiums:
(A 2.3% impact would be expressed as 1.023.) 1.023
6. Overall impact of Size-of-Risk Discounts plus Expense Graduation
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.) .935
7. Company Formula Loss Cost Multiplier:
(2B / [6 - 3F] x 5) = 1.341
8. Company Selected Loss Cost Multiplier = 1.341
Explain any differences between 7 and 8:

9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. Yes ☐ No ☒
10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. Yes ☐ No ☒

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME Federated Mutual Insurance Company DATE October 17, 2008

NAIC NO. 13935 GROUP NO. 007

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
Yes ☐ No ☒ If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.
2. Loss Cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the captioned Reference Filing (CHECK ONE):

Without modification (factor = 1.000).

☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) For class codes 3069, 3629, 3632, 3724, 4299, 5183, 5190, 5535, 5606, 8013, 8058, 8232, 8380, and 9620.
 - B. Loss Cost Modification expressed as a Factor 1.004 (see examples below).
3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information).
PROJECTED EXPENSES: Compared to standard premium at company rates.

	Selected Provisions
A. Total Production Expense	<u>10.2%</u>
B. General Expense	<u>8.3%</u>
C. Taxes, Licenses and Fees	<u>2.0%</u>
D. Underwriting Profit and Contingencies*	<u>-4.4%</u>
E. Other (explain) Residual Market Subsidy	<u>0.0%</u>
F. TOTAL	<u>16.1%</u>

* Explain how investment income is taken into account

4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = 83.90%
B. ELR in decimal form = .8390
5. Overall Impact of Expense Constant and Minimum Premiums:
(A 2.3% impact would be expressed as 1.023.) 1.023
6. Overall impact of Size-of-Risk Discounts plus Expense Graduation
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.) .935
7. Company Formula Loss Cost Multiplier:
(2B / [6 - 3F] x 5) = 1.267
8. Company Selected Loss Cost Multiplier = 1.267
Explain any differences between 7 and 8:

- | | | |
|--|--------------------------|-------------------------------------|
| | Yes | No |
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME Federated Mutual Insurance Company DATE October 17, 2008

NAIC NO. 13935 GROUP NO. 007

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
Yes ☐ No ☒ If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. Loss Cost Modification:

- A. The insurer hereby files to adopt the prospective loss costs in the captioned Reference Filing (CHECK ONE):

Without modification (factor = 1.000).

- ☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) For all class codes except 3069, 3629, 3632, 3724, 4299, 5183, 5190, 5535, 5537, 5606, 8013, 8058, 8116, 8232, 8350, 8380, and 9620 – This will allow our overall rate level to decrease 5.2%.

- B. Loss Cost Modification expressed as a Factor 1.180 (see examples below).

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information).
PROJECTED EXPENSES: Compared to standard premium at company rates.

	Selected Provisions
A. Total Production Expense	10.2%
B. General Expense	8.3%
C. Taxes, Licenses and Fees	2.0%
D. Underwriting Profit and Contingencies*	-4.4%
E. Other (explain) Residual Market Subsidy	0.0%
F. TOTAL	16.1%

* Explain how investment income is taken into account

- | | |
|---|--------|
| 4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = | 83.90% |
| B. ELR in decimal form = | .8390 |
| 5. Overall Impact of Expense Constant and Minimum Premiums:
(A 2.3% impact would be expressed as 1.023.) | 1.023 |
| 6. Overall impact of Size-of-Risk Discounts plus Expense Graduation
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.) | .935 |
| 7. Company Formula Loss Cost Multiplier:
(2B / [6 - 3F] x 5) = | 1.490 |
| 8. Company Selected Loss Cost Multiplier =
Explain any differences between 7 and 8: | 1.490 |

- | | | |
|--|---------------------------------|---|
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME Federated Service Insurance Company DATE October 17, 2008

NAIC NO. 28304 GROUP NO. 007

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
Yes ☐ No ☒ If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. Loss Cost Modification:

- A. The insurer hereby files to adopt the prospective loss costs in the captioned Reference Filing (CHECK ONE):

Without modification (factor = 1.000).

- ☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) For all class code 5537

- B. Loss Cost Modification expressed as a Factor 1.0196 (see examples below).

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information).
PROJECTED EXPENSES: Compared to standard premium at company rates.

	Selected Provisions
A. Total Production Expense	10.2%
B. General Expense	8.3%
C. Taxes, Licenses and Fees	2.0%
D. Underwriting Profit and Contingencies*	-4.4%
E. Other (explain) Residual Market Subsidy	0.0%
F. TOTAL	16.1%

* Explain how investment income is taken into account

4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = 83.90%
B. ELR in decimal form = .8390
5. Overall Impact of Expense Constant and Minimum Premiums:
(A 2.3% impact would be expressed as 1.023.) 1.023
6. Overall impact of Size-of-Risk Discounts plus Expense Graduation
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.) .935
7. Company Formula Loss Cost Multiplier:
(2B / [6 - 3F] x 5) = 1.287
8. Company Selected Loss Cost Multiplier = 1.287
Explain any differences between 7 and 8:

9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. Yes ☐ No ☒
10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. Yes ☐ No ☒

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME Federated Service Insurance Company DATE October 17, 2008

NAIC NO. 28304 GROUP NO. 007

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
Yes ☐ No ☒ If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. Loss Cost Modification:

- A. The insurer hereby files to adopt the prospective loss costs in the captioned Reference Filing (CHECK ONE):

Without modification (factor = 1.000).

- ☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) For all class code 8116, 8350

- B. Loss Cost Modification expressed as a Factor 0.956 (see examples below).

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information).
PROJECTED EXPENSES: Compared to standard premium at company rates.

	Selected Provisions
A. Total Production Expense	10.2%
B. General Expense	8.3%
C. Taxes, Licenses and Fees	2.0%
D. Underwriting Profit and Contingencies*	-4.4%
E. Other (explain) Residual Market Subsidy	0.0%
F. TOTAL	16.1%

* Explain how investment income is taken into account

4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = 83.90%
B. ELR in decimal form = .8390
5. Overall Impact of Expense Constant and Minimum Premiums:
(A 2.3% impact would be expressed as 1.023.) 1.023
6. Overall impact of Size-of-Risk Discounts plus Expense Graduation
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.) .935
7. Company Formula Loss Cost Multiplier:
(2B / [6 - 3F] x 5) = 1.207
8. Company Selected Loss Cost Multiplier = 1.207
Explain any differences between 7 and 8:

9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. Yes ☐ No ☒
10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. Yes ☐ No ☒

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME Federated Service Insurance Company DATE October 17, 2008

NAIC NO. 28304 GROUP NO. 007

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
Yes ☐ No ☒ If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. Loss Cost Modification:

- A. The insurer hereby files to adopt the prospective loss costs in the captioned Reference Filing (CHECK ONE):

Without modification (factor = 1.000).

- ☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) For all class codes 3069, 3629, 3632, 3724, 4299, 5183, 5190, 5535, 5606, 8013, 8058, 8232, 8380, and 9620.

- B. Loss Cost Modification expressed as a Factor 0.903 (see examples below).

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information).
PROJECTED EXPENSES: Compared to standard premium at company rates.

	Selected Provisions
A. Total Production Expense	<u>10.2%</u>
B. General Expense	<u>8.3%</u>
C. Taxes, Licenses and Fees	<u>2.0%</u>
D. Underwriting Profit and Contingencies*	<u>-4.4%</u>
E. Other (explain) Residual Market Subsidy	<u>0.0%</u>
F. TOTAL	<u>16.1%</u>

* Explain how investment income is taken into account

4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = 83.90%
B. ELR in decimal form = .8390
5. Overall Impact of Expense Constant and Minimum Premiums:
(A 2.3% impact would be expressed as 1.023.) 1.023
6. Overall impact of Size-of-Risk Discounts plus Expense Graduation
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.) .935
7. Company Formula Loss Cost Multiplier:
(2B / [6 - 3F] x 5) = 1.140
8. Company Selected Loss Cost Multiplier = 1.140
Explain any differences between 7 and 8:

- | | | |
|--|--------------------------|-------------------------------------|
| | Yes | No |
| 9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME Federated Service Insurance Company DATE October 17, 2008

NAIC NO. 28304 GROUP NO. 007

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
Yes ☐ No ☒ If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.

2. Loss Cost Modification:

- A. The insurer hereby files to adopt the prospective loss costs in the captioned Reference Filing (CHECK ONE):

Without modification (factor = 1.000).

- ☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) For all class codes except 3069, 3629, 3632, 3724, 4299, 5183, 5190, 5535, 5537, 5606, 8013, 8058, 8116, 8232, 8350, 8380, and 9620 – This will allow our overall rate level to decrease –5.2%.

- B. Loss Cost Modification expressed as a Factor 1.062 (see examples below).

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information).

PROJECTED EXPENSES: Compared to standard premium at company rates.

	Selected Provisions
A. Total Production Expense	10.2%
B. General Expense	8.3%
C. Taxes, Licenses and Fees	2.0%
D. Underwriting Profit and Contingencies*	-4.4%
E. Other (explain) Residual Market Subsidy	0.0%
F. TOTAL	16.1%

* Explain how investment income is taken into account

4. A. Expected Loss and Loss Adjustment Expense Ratio:
ELR = 100% - 3F = 83.90%
B. ELR in decimal form = .8390
5. Overall Impact of Expense Constant and Minimum Premiums:
(A 2.3% impact would be expressed as 1.023.) 1.023
6. Overall impact of Size-of-Risk Discounts plus Expense Graduation
Recognition in Retrospective Rating:
(An 8.67% average discount would be expressed as 0.914.) .935
7. Company Formula Loss Cost Multiplier:
(2B / [6 - 3F] x 5) = 1.341
8. Company Selected Loss Cost Multiplier = 1.341
Explain any differences between 7 and 8:

9. Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. Yes ☐ No ☒

10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change.

☐☒

ARKANSAS INSURANCE DEPARTMENT
WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS REFERENCE FILING ADOPTION FORM

DATE Corrected October 21, 2008 Page 1 of 2

1. INSURER NAME Federated Mutual Insurance Company

ADDRESS 121 East Park Square

Owatonna, MN 55060

PERSON RESPONSIBLE FOR FILING Carolyns Stursa

TITLE P&C Product Specialist

TELEPHONE NO. (800) 533-0472 ext. 5290

2. INSURER NAIC NO. 13935
GROUP NO. 007

3. ADVISORY ORGANIZATION NCCI

4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, expense constants specified in the attachments.

6. A. PROPOSED RATE LEVEL CHANGE - 5.2 % EFFECTIVE DATE January 1, 2009

B. PROPOSED PREMIUM LEVEL CHANGE - 5.2 % EFFECTIVE DATE January 1, 2009

7. A. PRIOR RATE LEVEL CHANGE - 6.9 % EFFECTIVE DATE July 1, 2008

B. PRIOR PREMIUM LEVEL CHANGE -6.9 % EFFECTIVE DATE July 1, 2008

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
(Use a separate Summary for each insurer-selected loss cost multiplier.)

9. Check **one** of the following:

☒ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

ARKANSAS INSURANCE DEPARTMENT
WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS REFERENCE FILING ADOPTION FORM

DATE Corrected October 21, 2008 Page 1 of 2

1. INSURER NAME Federated Service Insurance Company

ADDRESS 121 East Park Square

Owatonna, MN 55060

PERSON RESPONSIBLE FOR FILING Carolyns Stursa

TITLE P&C Product Specialist

TELEPHONE NO. (800) 533-0472 ext. 5290

2. INSURER NAIC NO. 28304
GROUP NO. 007

3. ADVISORY ORGANIZATION NCCI

4. ADVISORY ORGANIZATION REFERENCE FILING NO. AR-2008-02

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, expense constants specified in the attachments.

6. A. PROPOSED RATE LEVEL CHANGE - 5.4 % EFFECTIVE DATE January 1, 2009

B. PROPOSED PREMIUM LEVEL CHANGE - 5.4 % EFFECTIVE DATE January 1, 2009

7. A. PRIOR RATE LEVEL CHANGE - 10.0 % EFFECTIVE DATE July 1, 2008

B. PRIOR PREMIUM LEVEL CHANGE - 10.0 % EFFECTIVE DATE July 1, 2008

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
(Use a separate Summary for each insurer-selected loss cost multiplier.)

9. Check **one** of the following:

☒ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

**ARKANSAS INSURANCE DEPARTMENT
RATE FILING ABSTRACT**

Form RF-1
Rev. 4/96

Insurer Name:	Federated Mutual Insurance Company	Contact Person:	Carolyn Stursa
NAIC Number:	007-13935	Signature:	<i>Carolyn Stursa</i>
Name of Advisory Organization Whose Filing You Are Referencing	NCCI	Telephone No:	(800) 533-0472 ext. 5290
Co. Affiliation to Advisory Organization: Member	<input type="checkbox"/>	Subscriber	<input checked="" type="checkbox"/>
		Service Purchaser	<input type="checkbox"/>
Reference Filing #:	AR-2008-06	Proposed Effective Date:	January 1, 2009

FOR LOSS COSTS ONLY								
(1)	(2)	(3) Requested % Rate Level Change	(4)	(5)	(6)	(7)	(8)	
LINE OF INSURANCE By Coverage	Indicated % Rate Level Change		Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current	
							Loss Cost Multiplier	
Workers' Compensation	-5.2%	-5.2%	70.3	1.180	1.490	200	1.572	
				1.133	1.430		1.509	
				1.062	1.341		1.415	
				1.004	1.267		1.336	

TOTAL OVERALL EFFECT - 5.2%

Apply Lost Cost Factors to Future Filings? (Y or N) Yes

-4.7% Estimate Maximum Rate Increase for any Arkansas Insured (%)

-12.5% Estimate Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

5 Year History (Mutual & Service Company Combined)

Selected Provisions

Year	Polic Coun	Rate Change History			AR Earned		Incurred		Arkansas	Countrywide	A. Total Production Expense	
		%	Eff. Date		Premium (000)		Losses (000)		Loss Ratio	Loss Ratio	B. General Expense	
2004	364	-9.0	07/01/2004		3,340		1,463		43.8	60.4	C. Taxes, License & Fees	
2005		-0.6	07/01/2005									
2005	393	-5.0	09/01/2005		3,443		1,501		43.6	59.3	D. Underwriting Profit &	
2006		-2.4	07/01/2006								Contingencies	
2006	393	-1.1	12/01/2006		3,418		1,843		54.0	65.7		
2007	441	0.1	07/01/2007		3,472		1,586		45.7	62.4	E. Other (explain)	
2008		0.2	01/01/2008									
2008_6	231	-7.3	07/01/2008		1,822		1,339		73.5	64.8	F. TOTAL	

**ARKANSAS INSURANCE DEPARTMENT
RATE FILING ABSTRACT**

Form RF-1
Rev. 4/96

Insurer Name: Federated Service Insurance Company

NAIC Number: 007-28304

Name of Advisory Organization Whose Filing You Are Referencing NCCI

Co. Affiliation to Advisory Organization: Member Subscriber ☒ Service Purchaser

Reference Filing #: AR-2008-06

Proposed Effective Date: January 1, 2009

Contact Person: Carolyn Stursa

Signature: *Carolyn Stursa*

Telephone No: (800) 533-0472 ext. 5290

FOR LOSS COSTS ONLY

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (If Applicable)	(8) Co. Current Loss Cost Multiplier
Workers' Compensation	-5.4%	-5.4%	70.3	1.062	1.341	200	1.415
				1.0196	1.287		1.358
				0.956	1.207		1.274
				0.903	1.140		1.203

TOTAL OVERALL EFFECT

- 5.4%

Apply Lost Cost Factors to Future Filings? (Y or N) Yes

-4.7% Estimate Maximum Rate Increase for any Arkansas Insured (%)

-12.5% Estimate Maximum Rate Decrease for any Arkansas Insured (%)

5 Year History (Mutual & Service Company Combined)

Corresponds to Question 3 on RF-2 or RF-WC

Selected Provisions

A. Total Production Expense 10.2

B. General Expense 8.3

C. Taxes, License & Fees 2.0

D. Underwriting Profit &
Contingencies -4.4

E. Other (explain) 0.0

F. TOTAL 161

Year	Polic Coun	Rate Change History %	Eff. Date	AR Earned Premium (000)	Incurred Losses (000)	Arkansas Loss Ratio	Countrywide Loss Ratio
2004	364	-9.0	07/01/2004	3,340	1,463	43.8	60.4
2005		-0.6	07/01/2005				
2005	393	-5.0	09/01/2005	3,443	1,501	43.6	59.3
2006		-2.4	07/01/2006				
2006	393	-1.1	12/01/2006	3,418	1,843	54.0	65.7
2007	441	0.1	07/01/2007	3,472	1,586	45.7	62.4
2008		0.2	01/01/2008				
2008_6	231	-7.3	07/01/2008	1,822	1,339	73.5	64.8

FEDERATED INSURANCE COMPANIES
DEVELOPMENT OF 2008 TARGET LOSS RATIO
ARKANSAS WORKERS COMPENSATION

ITEM	
(1) TARGET RETURN (AFTER TAX)	15.0%
(2) PREMIUM/SURPLUS (REPORT 80)	1.25
(3) TARGET OPERATING GAIN (1 / 2)	12.00%
(4) FEDERAL INC. TAX (SEE ATTACHED)	21.62%
(5) TARGET RETURN (BEFORE TAX (3 / (100% - 4))	15.31%
(6) INVESTMENT GAIN (SEE ATTACHED)	19.70%
(7) TARGET UNDERWR. GAIN (5 - 6)	-4.39%
(8) UNDERWRITING EXP (SEE ATTACHED)	20.4%
(9) POLICYHOLDER DIVIDENDS	0.0%
(10) RESIDUAL MARKET SUBSIDY	0.0%
(11) LOSSES & LAE (100%-7-8-9-10)	84.0%
(12) LAE / LOSSES (SEE ATTACHED)	19.4%
(13) TARGET LOSS RATIO (11/(100%+12))	70.4%

FEDERATED INSURANCE COMPANIES
SELECTED UNDERWRITING EXPENSE RATIOS
ARKANSAS WORKERS COMPENSATION

	Selection
Acquisition/WP (16)	10.20%
Gen with B&B/EP (21)	8.25%
Tax License Fee/WP (20)	1.95%
Total U/W	20.40%
 DCC/Incurred (18)	 9.00%
A&O/Incurred (15)	10.35%
Total LAE/Incurred	19.35%
 Investment Gain	 19.70%

	2003	2004	2005	2006	2007
<u>Countrywide Information</u>					
Written Premium (1)	176,560,854	165,553,599	177,684,096	186,399,852	189,949,617
Earned Premium (2)	184,687,990	166,651,556	174,439,293	182,816,801	189,522,092
Incurred Losses (3)	125,365,999	115,143,731	129,670,347	110,309,625	129,476,032
DCC Incurred (4)	13,873,519	10,892,890	13,722,156	9,119,647	8,587,608
A&O Incurred (5)	10,597,958	14,634,269	12,678,296	12,805,712	11,944,364
Acquisition Expense (6)	17,513,076	16,527,686	17,664,825	19,578,024	20,037,100
General Expense Less Boards & Bureaus (7)	12,234,983	13,834,188	13,497,870	14,926,195	14,681,666

<u>State Specific Expenses</u>					
Written Premium (8)	3,418,515	3,302,024	3,425,301	3,346,977	3,582,967
Earned Premium (9)	3,355,176	3,339,977	3,442,758	3,418,022	3,472,057
Incurred Losses (10)	1,374,568	1,995,891	2,133,248	948,604	1,005,485
DCC Incurred (11)	213,887	203,203	230,199	89,827	84,022
Boards & Bureaus (12)	16,021	22,315	18,213	17,376	17,074
Premium Tax, Licenses, and Fees (13)	70,047	63,511	73,689	58,438	65,327

Selection
Current

	2003	2004	2005	2006	2007	5 Year Ave	
<u>Countrywide Ratio</u>							
DCC/Incurred (14) = 4 / 3	11.07%	9.46%	10.58%	8.27%	6.63%	9.20%	
A&O/Incurred (15) = 5 / 3	8.45%	12.71%	9.78%	11.61%	9.23%	10.35%	10.35%
Acquisition/WP (16) = 6 / 1	9.92%	9.98%	9.94%	10.50%	10.55%	10.18%	10.20%
Gen Less B&B/EP (17) = 7 / 2	6.62%	8.30%	7.74%	8.16%	7.75%	7.72%	7.75%
<u>State Ratio</u>							
DCC/Incurred (18) = 11 / 10	15.56%	10.18%	10.79%	9.47%	8.36%	10.87%	9.00%
B&B/EP (19) = 12 / 9	0.48%	0.67%	0.53%	0.51%	0.49%	0.53%	0.50%
Premium Tax License Fees/WP (20) = 13 / 8	2.05%	1.92%	2.15%	1.75%	1.82%	1.94%	1.95%
Gen / EP (21) = 17 + 19	7.10%	8.97%	8.27%	8.67%	8.24%	8.25%	8.25%

Expense Constant Filing Worksheet

State of:

Arkansas

	Formula Losses from Rate Indication	Policy Count	Average Underlying Loss Cost	Implied Expense Constant	Implied Exp Const W/ Prem Disc
2004	1,463,791	364	4,021	1.221	1.287
2005	1,500,592	382	3,928	1.191	1.253
2006	1,844,766	392	4,706	0.0305	0.0339
2007	1,588,369	406	3,912		
2007 06	2,678,822	462	5,798		
	9,076,340	2,006	4,525	138	153

Data from EZT COMPREM

Policy Year	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>Combined</u>		
Written Premium	3,472,610		3,080,192		3,520,725		10,073,527		
+ Premium Disc.	239,896	6.60%	192,626	6.04%	246,941	6.70%	679,463	6.46%	0.935
- Exp Const./Min Prem	(75,609)	-2.08%	(82,195)	-2.58%	(80,823)	-2.19%	(238,627)	-2.27%	1.023
"Std. Premium"	3,636,897	4.52%	3,190,623	3.46%	3,686,843	4.51%	10,514,363	4.19%	

If need LAE factor to EP

Total U/W Gain	-4.4	104.4
Total U/W Expenses	20	20.4
Total Loss and LAE		84.0
LAE/Loss Factor		1.19
Target Loss Ratio		70.3
LAE Factor to EP		13.6

Retro Tax Multiplier:

Tax rate:

2.0%

Multiplier

1.020

FEDERATED INSURANCE COMPANIES
SUMMARY OF WORKERS COMPENSATION RATE INDICATION
ARKANSAS

Please keep in mind the point of this exhibit is not to suggest that we file the indicated rate change, but rather, to give a better perspective on our profitability position than simply looking at historical loss ratios.

Accident Year Experience

Year	Earned Premium	Incurred Losses	Loss Ratio
2004	3,339,975	1,463,791	43.8%
2005	3,442,759	1,500,592	43.6%
2006	3,418,021	1,844,766	54.0%
2007	3,472,059	1,588,369	45.7%
2008_6	1,821,914	1,339,411	73.5%
Totals	15,494,728	7,736,929	49.9%

Adjusted Experience

Year	Premium @ Current	Mgmt Trended Losses	Mgmt Loss Ratio
2004	3,064,566	2,105,642	68.7%
2005	3,306,789	2,200,296	66.5%
2006	3,410,724	2,425,769	71.1%
2007	3,536,185	2,085,121	59.0%
2008_6	1,817,606	1,357,647	74.7%
Totals	15,135,870	10,174,476	67.2%

Target LR :	<u>Mgmt</u> 70.3%
Indication :	<u>-4.4%</u>

Rate Changes

Date	Amount
09/01/02	14.1%
05/01/03	1.1%
10/01/03	4.4%
07/01/04	-9.3%
07/01/05	-0.6%
09/01/05	-5.0%
07/01/06	-2.4%
12/01/06	-1.1%
07/01/07	0.1%
01/01/08	0.2%
07/01/08	-7.3%

Other Assumptions

An annual premium trend factor of 1.028 and an annual loss trend of 1.035 was used with an 01/1/2010 (Assumes 1/1/09 effective date for PY) effective date. Consideration for the dividend plan (if any) is reflected in the Target LR.

October 17, 2008

ARKANSAS

**FEDERATED MUTUAL INSURANCE COMPANY
FEDERATED SERVICE INSURANCE COMPANY**

Workers Compensation & Employers Liability

- Revised Federated Mutual Workers Compensation and Employers Liability Manual pages F1 – F8 January 1, 2009
- Revised Federated Mutual Retrospective Rating Plan Manual pages RR1 and RR2 January 1, 2009
- Revised Federated Service Workers Compensation and Employers Liability Manual pages F1 – F8 January 1, 2009
- Revised Federated Service Retrospective Rating Plan Manual pages RR1-RR2 January 1, 2009
- Adoption of approved NCCI Item R-1398—2008 Update to Retrospective Rating Plan Parameter—State Hazard Group Relativities Effective January 1, 2009

Federated Filing Number: WC-AR-09-1

We ask for your approval of the above listed filing. Please refer to the Explanatory Memorandum for further details of this filing.

We wish to implement this filing for all new business and renewals effective on and after January 1, 2009.

We trust that our filing meets your requirements and we appreciate your consideration of our filing.

Thank you,



Carolyn Stursa
P & C Product Specialist
Federated Mutual Insurance Company
Federated Service Insurance Company

**FEDERATED MUTUAL INSURANCE COMPANY
ARKANSAS WORKERS' COMPENSATION RATE LEVEL SUBMISSION**

EXPLANATORY MEMORANDUM

This Arkansas workers' compensation rate submission is applicable to policies effective on and after January 1, 2009. The revised rates and rating values are based upon the NCCI July 1, 2008 advisory pure premiums.

The classification rate schedule was produced using a pure premium multiplier of 1.490 developed as shown on the Arkansas loss cost adoption form. Expenses reflect actual Federated expense levels. Investment income from all sources has been contemplated in the calculations as well.

We are proposing to revise our current pure premium multiplier from 1.572 to 1.490, and revising our current deviation as follows:

Classification Code	Current Pure Premium Multiplier	Proposed Pure Premium Multiplier
3069	1.336	1.267
3629	1.336	1.267
3632	1.336	1.267
3724	1.336	1.267
4299	1.336	1.267
5183	1.336	1.267
5190	1.336	1.267
5535	1.336	1.267
5537	1.509	1.430
5606	1.336	1.267
8013	1.336	1.267
8058	1.336	1.267
8116	1.415	1.341
8232	1.336	1.267
8350	1.415	1.341
8380	1.336	1.267
9620	1.336	1.267
All Other Classification Codes	1.572	1.490

The impact of the multiplier change is a 5.2% decrease in our rate level.

Thank you for your consideration of this filing.

**FEDERATED SERVICE INSURANCE COMPANY
ARKANSAS WORKERS' COMPENSATION RATE LEVEL SUBMISSION**

EXPLANATORY MEMORANDUM

This Arkansas workers' compensation rate submission is applicable to policies effective on and after January 1, 2009. The revised rates and rating values are based upon the NCCI July 1, 2008 advisory pure premiums.

The classification rate schedule was produced using a pure premium multiplier of 1.341 developed as shown on the Arkansas loss cost adoption form. Expenses reflect actual Federated expense levels. Investment income from all sources has been contemplated in the calculations as well.

We are proposing to revise our current pure premium multiplier from 1.415 to 1.341, and revising our current deviations as follows:

Classification Code	Current Pure Premium Multiplier	Proposed Pure Premium Multiplier
3069	1.203	1.140
3629	1.203	1.140
3632	1.203	1.140
3724	1.203	1.140
4299	1.203	1.140
5183	1.203	1.140
5190	1.203	1.140
5535	1.203	1.140
5537	1.358	1.287
5606	1.203	1.140
8013	1.203	1.140
8058	1.203	1.140
8116	1.274	1.207
8232	1.203	1.140
8350	1.274	1.207
8380	1.203	1.140
9620	1.203	1.140
All Other Classification Codes	1.415	1.341

The impact of the multiplier change is a -5.2% decrease in our rate level.

Thank you for your consideration of this filing.